Risk Factors Comparison 2024-02-29 to 2023-03-01 Form: 10-K

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In addition to the other information in this Annual Report on Form 10- K, including Management' s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes, you should carefully consider the following risks. If any of the following risks actually occur or continue to occur, our business, reputation, financial condition and / or operating results could be materially adversely affected. The risk factors summarized below are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially adversely affect our business, reputation, financial condition and / or operating results. Risk Factors Summary The following is a summary of the principal risks that could materially adversely affect our business, reputation, financial condition and / or operating results. You should read this summary together with the more detailed description of each risk contained below. Operational and Industry Risks ● The Company and TCCC have extensive commercial arrangements and, as a result, the Company' s future performance is substantially dependent on the success of its relationship with TCCC. ● Provisions in our organizational documents and control by insiders or TCCC may prevent changes in control even if such changes would be beneficial to other stockholders. ● We **primarily** rely on bottlers and other contract packers to manufacture our products. If we are unable to maintain good relationships with our bottlers and contract packers and / or their ability to manufacture our products becomes constrained or unavailable to us, our business could suffer. ● We rely on ~~our breweries~~ **limited Company- owned facilities** for production of certain of our **non- alcohol and** alcohol beverages, and developments negatively affecting production at such facilities could materially impact the financial results of our **business** ~~Alcohol Brands segment~~. ● We rely on bottlers and distributors to distribute our products. If we are unable to maintain good relationships with our existing bottlers and distributors and / or secure such bottlers and distributors, our business could suffer. ● We currently derive most of our revenues from energy drinks, and competitive pressure in the energy drink category could adversely affect our business and operating results. ● Criticism of our beverages ~~and / or criticism~~ or a negative perception of our products generally could adversely affect us. ● Increased competition in the beverage industry and changing retail landscape could hurt our business. ● Our inability to implement our growth strategy, including expanding our business in existing and new sectors ~~, such as the alcohol beverage sector,~~ or successfully integrate acquired businesses or assets could adversely affect our business and financial results. ● Changes in consumer product and shopping preferences may reduce demand for our products. ● Our continued expansion outside of the United States exposes us to uncertain conditions and other risks in international markets. ● If we are not able to pass on increases in the costs of raw materials, including aluminum cans, ingredients, fuel and / or costs of co- packing **, or if** we **may face** ~~experience shortages of such raw materials, our business and results of operations could be materially, adversely affected and result in~~ a higher cost base **, and our business and results of operations could be adversely affected** . ● Our failure to accurately estimate demand for our products or maintain sufficient inventory levels **or anticipate shortages of raw materials** could adversely affect our business and financial results. ● Our business is subject to seasonality, which may cause fluctuations in our operating results. ● The costs of packaging supplies, **raw material inputs,** ocean and domestic freight, and inflation generally may adversely affect our results of operations. ● Global or regional catastrophic events ~~, such as the military conflict in Ukraine,~~ could impact our operations and affect our ability to grow our business. ● The COVID- 19 pandemic has impacted and may continue to impact our business and operations. ● Failure to meet sustainability expectations or standards could expose us to increased costs, reputational harm, or other adverse consequences. ● Climate change and natural disasters may negatively affect our business. ● If we are not able to retain the services of our workforce, there may be an adverse effect on our operations and / or our operating performance until we find suitable replacements. ● Negative publicity (whether or not warranted) could damage our brand image and corporate reputation ~~,~~ and may cause our business to suffer. Government Regulation and Litigation Risks ● Changes in government regulation, or a failure to comply with existing regulations, related to energy drinks ~~,~~ could adversely affect our business, financial condition and results of operations. ● Regulations concerning our alcohol beverages may adversely affect our business, financial condition or results of operations and inhibit the sales of such products. ● Significant changes to or failure to comply with various environmental laws may expose us to liability and / or cause certain of our facilities and / or those of our co- packers to close, relocate or operate at reduced production levels, which could adversely affect our business, financial condition and results of operations. ● We cannot predict the effect of possible inquiries from and / or actions by attorneys general, other government agencies and / or quasi- government agencies into the production, advertising, marketing, promotion, labeling, ingredients, usage and / or sale of our products. ● Litigation regarding our products, and related unfavorable media attention, could expose us to significant liabilities and reduce demand for our products, thus negatively affecting our financial results. ● If we encounter material product recalls, our business may suffer material losses and such recalls could damage our brand image and corporate reputation, also resulting in material losses. Intellectual Property, Information Technology and Data Privacy Risks ● Our intellectual property rights are critical to our success, and the loss of such rights could materially adversely affect our business. ● **Our use of** ~~We must continually maintain, monitor, protect and / or upgrade our~~ information technology ~~systems, including protecting~~ **and third party service providers exposes** us **to** ~~from internal and external~~ cybersecurity ~~threats~~ **breaches and other interruptions that could disrupt our business operations and adversely impact our reputation and results of operations. ● If we fail to comply with data privacy and personal data protection laws, we could be subject to adverse publicity, government enforcement actions and / or private litigation, which may negatively impact our business and operating results** . Financial Risks ● Fluctuations in our effective tax rate could adversely affect our financial condition and results of operations. ● We may be required ~~in the~~

~~future~~ to record a ~~significant~~ charge to earnings if our goodwill or intangible assets become impaired. ● Fluctuations in foreign currency exchange rates may adversely affect our operating results. ● Uncertainty in the financial markets and other adverse changes in general economic or political conditions in any of the major countries in which we do business could adversely affect our industry, business and results of operations. ● Default by or failure of one or more of our counterparty financial institutions could cause us to incur significant losses ~~. ● Our investments are subject to risks which may cause losses and affect the liquidity of these investments~~ . We have transitioned all third parties' rights to distribute the Company' s energy drink products in the U. S. to members of TCCC' s distribution network, which largely consists of independent bottlers / distributors. In addition, except for a handful of countries, TCCC is our preferred distribution partner globally, with members of TCCC' s network distributing our products internationally, including in Africa, Asia, Canada, Central and South America, Europe, Mexico and the Middle East. We expect TCCC' s distribution network to continue as our preferred distribution partner globally. As a result, we have reduced our distributor diversification and are now dependent on TCCC' s domestic and international distribution platforms. TCCC has a substantial equity investment in the Company. The Company, TCCC and certain affiliates are parties to various agreements in which TCCC and certain affiliates have agreed, subject to certain exceptions, not to compete in the energy drink category in certain territories prior to the termination of the applicable distribution coordination agreement with TCCC. The Company' s distribution agreements with TCCC distributors also provide, subject to certain exceptions, that the applicable distributor will not distribute competitive energy drink products. While we believe that these agreements incentivize TCCC to take steps to ensure that our products receive the appropriate attention in the TCCC distribution system, disagreements as to the interpretation of the provisions in such agreements have arisen and may arise in the future. In addition, TCCC does not control all members of its distribution system, many of which are independent companies that make their own business decisions that may not always align with TCCC' s interests. Our organizational documents may limit changes in control. Furthermore, as of February ~~16~~ **15** , ~~2023~~ **2024** , Mr. Sacks and Mr. Schlosberg together may be deemed to beneficially own and / or exercise voting control over approximately ~~9~~ **8** . ~~3~~ **2** % of our outstanding common stock. As of February ~~16~~ **15** , ~~2023~~ **2024** , TCCC owned approximately 19. ~~5~~ **6** % of our common stock. TCCC has also nominated one director to the Company' s board of directors. Consequently, Mr. Sacks, Mr. Schlosberg and / or TCCC could exercise significant control over matters submitted to a vote of our stockholders, including electing directors, amending organizational documents and disapproving extraordinary transactions such as a takeover attempt, even though such actions may be favorable to the other common stockholders. In particular, TCCC' s ownership could have an effect on the Company' s ability to engage in a change in control transaction. TCCC is obligated for a period of time to vote all of its common shares of the Company in excess of 20 % of the outstanding common shares in the same proportion as all common shares not owned by TCCC with respect to a proposal for a change of control. However, if TCCC were to oppose such a change- in- control transaction, a bidder would be required to secure the support of holders of at least 62. 5 % of the Company' s common shares not owned by TCCC (assuming that TCCC increased its ownership to 20 % of the Company' s common shares) to achieve a vote of a majority of the Company' s outstanding shares for a change- in- control transaction. In addition, TCCC would have a bidding advantage if the Company' s board of directors were to seek to sell the Company in the future because TCCC would not need to pay a control premium on the shares it owns at such time. TCCC and the Company would also be permitted to terminate TCCC' s distribution coordination agreements with the Company after a change in control of the Company. In such event, TCCC would receive a termination fee if TCCC terminated the distribution coordination agreements following a change in control of the Company involving certain TCCC competitors, or if the Company terminated following a change in control of the Company involving any third- party. The interests of TCCC may be different from or conflict with the interests of the Company' s other stockholders and, as a result, TCCC' s influence may result in the delay or prevention of potential actions or transactions. Moreover, TCCC' s ownership of a significant amount of the Company' s outstanding common shares could result in downward pressure on the trading price of the Company' s common shares if TCCC were to sell a large portion of its shares or as a result of the perception that such a sale might occur. ~~Our acquisition of AFF in 2016 brought our primary flavor supplier in- house for the majority of our Monster Energy ® brand energy drinks. However, we also procure flavors from other independent flavor suppliers.~~ In ~~2022~~ **2023** , we continued to outsource manufacturing **of most** of our non- alcohol finished goods to bottlers and other contract packers. As a result, in the event of a disruption and / or delay, and / or demand exceeding forecasted demand, we may be unable to procure alternative packing facilities at commercially reasonable rates and / or within a reasonably short time period. In addition, there are limited alternative packing facilities in our domestic and international markets with adequate capacity and / or suitable equipment for many of our products. For example, in 2022, sales of many of our product lines continued to be adversely impacted by production capacity constraints as a result of above forecast **consumer** demand. A lengthy disruption or delay in the production of any of our products could significantly adversely affect, and has adversely affected, our revenues from and / or costs of such products, because alternative co- packing facilities in the United States and abroad with adequate long- term capacity may not be available for such products either at commercially reasonable rates and / or costs **,** ~~and / or~~ within a reasonably short time period and / or within a geographically cost effective distance, if at all. In addition, in recent years, there has been a consolidation of co- packers, leading us to increasingly rely on fewer co- packing groups, certain of which account for a large percentage of our co- packing capacity for our Monster Energy ® drinks. If we are unable to maintain good relationships with our largest co- packers, or if our costs of co- packing increase, our business, financial condition and results of operations could be adversely affected. **Currently, Bang Energy ®** ~~We rely on our breweries for production of our alcohol~~ beverages **are manufactured** ~~, and developments negatively affecting production~~ at ~~such~~ **our recently acquired** ~~facilities~~ **facility in Phoenix** ~~could materially impact the financial results of our Alcohol Brands segment~~ . ~~We~~ **Further, we** are ~~currently~~ dependent on ~~CANarchy~~ **Monster Brewing Company** ' s portfolio of craft breweries, which includes Oskar Blues Brewery, Cigar City Brewing, Squatters Craft Beers, Wasatch Brewery, Deep Ellum Brewing Company, and Perrin Brewing Company, to manufacture **certain of** our alcohol products. Adverse **changes or developments affecting our Phoenix facility could adversely impact our ability to produce**

Bang Energy ® drinks or cause us to halt our production of such beverages. Likewise, adverse changes or developments affecting our currently limited number of breweries could hinder our ability to produce alcohol products to take to market on a timely basis or require us to entirely suspend **certain of** our Alcohol Brands segment operations. Alternative facilities with sufficient capacity or capabilities may not be readily available or may take significant time or money to run at the same capacity as **our Phoenix facility, Norwalk facility or** our current breweries. Such significant disruption may, in turn, have an adverse effect on gross margins, operating cash flows, and overall financial performance of our **business** ~~Alcohol Brands segment~~. Many of our bottlers / distributors are affiliated with and manufacture and / or distribute other carbonated, non- carbonated, non- alcohol, alcohol and other beverage products. In many cases, such products compete directly with our products. Unilateral decisions by bottlers / distributors, buying groups, convenience **and gas** chains, grocery chains, mass merchandisers, specialty chain stores, club stores, e- commerce retailers, e- commerce websites and **/ or** other customers, including retailer disagreements with our bottlers / distributors, to discontinue carrying all or any of our products that they are carrying at any time, restrict the range of our products they carry, impose restrictions or limitations on the sale of our products and / or the sizes of containers of our products and / or devote less resources to the sale of our products could cause our business to suffer. Moreover, competitors' **, consumers'** or others' attempts to persuade regulators, retailers, and / or customers in certain countries to reduce the permitted or maximum container sizes for our products from those currently being sold and marketed by us could negatively impact our business. In addition, possible trading disputes between our bottler / distributors and their customers or buying groups may result in the delisting of certain of the Company' s products, temporarily or otherwise. Bottler / distributor consolidation may also have an **adverse** impact on our business. The TCCC North American Bottlers, Coca- Cola Europacific Partners, Coca- Cola Hellenic, Coca- Cola FEMSA, Coca- Cola Amatil, Swire Coca- Cola (China), COFCO Coca- Cola, Coca- Cola Beverages Africa and Coca- Cola İçecek are our primary domestic and international distributors of our non- alcohol products. We also sell our alcohol beverages to certain beer distributors through generally separate distribution networks for distribution to retailers. As a result, if we are unable to maintain good relationships with these bottlers / distributors, if changes in control or ownership occur within the current distribution network, or if they do not effectively focus on marketing, promoting, selling and **/ or** distributing our products, sales of our products could be adversely affected. A decision by any large customer to decrease the amount purchased from us or to cease carrying our products could have a material adverse effect on our financial condition and consolidated results of operations. The marketing efforts of our bottlers / distributors are important ~~for~~ **to** our success. If our brands prove to be less attractive to our existing bottlers ~~and~~ **/** distributors, if we fail to attract additional bottlers ~~and~~ **/** distributors, and / or our bottlers / distributors do not market, promote and **/ or** distribute our products effectively, our business, financial condition and results of operations could be adversely affected. Disruption in distribution channels and / or a decline in sales due to the termination and / or insolvency of existing or new bottlers / distributors may adversely affect our business and operating results **. In particular, if we are unable to transition distribution agreements in our Alcohol Brands segment, we may face increased costs to change distributors for our alcohol beverages** . No assurance can be given that we will be able to maintain our current distribution network or secure additional distributors on terms not less favorable to us than our current arrangements. Our focus is in the energy drink category, and our business is vulnerable to adverse changes impacting the energy drink category and business, which could adversely impact our business and the trading price of our common stock. Most of our sales are currently derived from our energy drinks ~~, including our Monster Energy ® brand energy drinks, our Reign Total Body Fuel ® energy drinks and our Strategic Brands energy drinks (including our affordable brand energy drinks, principally Predator ®)~~ . Any decrease in the sales of our Monster Energy ® brand and other energy drinks could significantly adversely affect our future revenues and net income. Historically, we have experienced substantial competition from new entrants in the energy drink category as well as from the energy shot category. For a discussion of such competition, see " Part I, Item 1 – Business – Competition. " The increasing number of competitive products and limited amount of shelf space in retail stores, including in beverage coolers, may adversely impact our ability to gain or maintain our share of sales in the marketplace. In addition, certain actions of our competitors, including unsubstantiated and / or misleading claims, false advertising claims and tortious interference in our business, as well as competitors selling misbranded products, could impact our sales. Competitive pressures in the energy drink category could impact our revenues, cause price erosion and / or lower **our** market share, any of which could have a material adverse effect on our business and results of operations. An unfavorable report on the health effects of caffeine, other ingredients in energy drinks or energy drinks generally, or criticism or negative publicity regarding the caffeine content and / or any other ingredients in our products or energy drinks generally, including product safety concerns, could have an adverse effect on our business, financial condition and results of operations. Articles critical of the caffeine content and / or other ingredients in energy drinks and / or articles indicating certain health risks of energy drinks have been published in recent years. We believe the overall growth of the energy drink market in the U. S. may have been negatively impacted by the ongoing negative publicity and comments that continue to appear in the media questioning the safety of energy drinks, and suggesting limitations on their ingredients (including caffeine), and / or the levels thereof, and / or imposing minimum age restrictions for consumers. ~~In early 2018, certain retailers in the United Kingdom announced the introduction of voluntary retailer measures to prevent the sale of energy drinks to individuals under the age of 16.~~ If reports, studies or articles critical of caffeine and / or energy drinks continue to be published or are published in the future, or additional voluntary measures are taken, they could adversely affect the demand for our products. If we are unable to satisfy all criteria set forth in any model energy drink guidelines, including, without limitation, those adopted by the American Beverage Association, of which we are a member, and / or any international beverage associations, it could negatively affect our overall reputation, which in turn could have a negative impact on our business, financial condition and results of operations. The alcohol beverage industry has also been the subject of considerable societal and political attention for many years due to increasing public concern over alcohol- related health and social issues, including driving under the influence, underage drinking, and the negative health impacts of the misuse or abuse of alcohol. Moreover, anti- alcohol groups have successfully advocated, and increasingly continue to advocate, for more stringent labeling requirements, higher taxes, and other regulations designed to curtail alcohol consumption. In response to these concerns and advocacy, advertising by alcohol producers could be further restricted, additional ~~,~~ cautionary labeling or packaging requirements might be imposed, further restrictions on the sale of alcohol might be imposed, or there may be renewed efforts to impose increased excise or other taxes on alcohol sold in the United States or abroad. In addition, the increase of such criticism and negative perception of ~~the relative healthfulness or safety of~~ alcohol beverages **generally** could decrease sales and **the** consumption of alcohol, including the demand for our alcohol products. Any such developments may have a negative impact on the operating results of our Alcohol Brands segment. The beverage industry is highly competitive. The principal areas of competition are pricing, packaging, development of new products, flavors, product positioning, quality as well as promotion and marketing strategies. Our products compete with a wide range of drinks, both non- alcohol and alcohol, produced by a relatively large number of domestic and international manufacturers, some of which have substantially greater financial, marketing and distribution resources than we do. Important factors affecting our ability to compete successfully include the efficacy, taste and flavor of our products, trade and consumer promotions, rapid and effective development of new and unique cutting- edge products, attractive and different packaging, branded product advertising and pricing. The success of our sports marketing, social media and other general marketing endeavors may impact our business, financial condition and results of operation. Our products compete with all liquid refreshments and in some cases with products of much larger competitors, including the products of numerous nationally and internationally known producers such as TCCC, PepsiCo, Red Bull GmbH, KDP, Molson Coors, Constellation Brands, AB InBev, The Boston Beer Company and The Mark Anthony Group. We also compete with companies that are smaller or primarily national or local in operations, such as CELSIUS, PRIME, C4, Alani Nu ~~, Bang~~ , GHOST, and others as well as local craft breweries in our Alcohol Brands segment. Our products also compete with private-label brands such as those carried by grocery store chains, convenience store chains and club stores. We anticipate competition will remain robust ~~as~~ **due to a number of new entrants in the energy drink category.** ~~some~~ **Some** competitors are consolidating (as evidenced by business combinations of substantial value carried out by significant competitors in recent years), building more capacity, expanding geographically, and / or adding more SKUs and styles. For example, PepsiCo entered into a long- term strategic distribution arrangement with Celsius Holdings, Inc., a competitor in the energy drink space, in August 2022. Additionally, the number of competitors, especially craft brewers and craft distilleries, within the alcohol space and the sales of hard seltzers, FMBs, craft- brewed domestic beers, imported beers, CBD and other cannabis beverages, and ready- to-drink spirits are expected to increase, particularly following the U. S. Treasury Report, " Competition in the Market for Beer, Wine and Spirits " (the " Treasury Report ") **,** which promises to evaluate the impact of consolidation on marketplace competition. As a result of such increased competition for our products, we may face competitive pricing pressures and the demand for and market share of our products may fluctuate and possibly decline. The rapid growth in sales through e-commerce retailers, e- commerce websites, mobile commerce applications and subscription services, and closures of physical retail operations, particularly during and following the COVID- 19 pandemic, may result in a shift away from physical retail operations to digital channels and a reduction in impulse purchases. As we build our e- commerce capabilities, we may not be able to develop and maintain successful relationships with existing and new e- commerce retailers without experiencing a deterioration of our relationships with key customers operating physical retail channels. If we are unable to profitably expand our own e- commerce capabilities and / or if e- commerce retailers take significant market share away from traditional retailers **,** our business may be adversely affected. Further, the ability of consumers to compare prices on a real- time basis using digital technology puts additional pressure on us to maintain competitive prices. Sales in gas chains may also be affected by increased gasoline prices, improvements in fuel efficiency and increased consumer preferences for electric or alternative fuel- powered vehicles, which may result in fewer trips by consumers to gas stations and a corresponding reduction in purchases by consumers in convenience gas retailers. If we are unable to successfully adapt to the rapidly changing retail landscape, our share of sales, volume growth and overall financial results could be negatively affected. Due to competition in the beverage industry, there can be no assurance that we will not encounter difficulties in maintaining our current revenues, market share or position in the beverage industry. **Moreover, there can be no assurance that we will successfully react to the emergence of new subcategories within the energy and / or alcohol beverage sectors.** If our revenues decline, our business, financial condition and results of operations could be adversely affected. Our inability to implement our growth strategy, including expanding our business in existing and new sectors ~~, such as the alcohol beverage sector,~~ or to successfully integrate acquired businesses or assets could adversely affect our business and financial results. Our ability to compete in the highly competitive beverage industry and to achieve our business growth objectives depends, in part, on our ability to develop new flavors, products and packaging. The success of our innovation, in turn, depends on our ability to identify consumer trends and cater to consumer preferences. If we are not successful in our innovation activities, our business, financial condition and results of operation could be adversely affected. On ~~February 17~~ **July 31** , ~~2022~~ **2023** , we acquired ~~CANarchy~~ **substantially all of the assets of Bang Energy. Among other assets, the acquisition included the Bang Energy ® drink business. Prior to the Bang Energy acquisition, we acquired Monster Brewing Company** , a craft beer and hard seltzer company ~~and~~ **, in February 2022. We** may continue to make acquisitions that expand our business ~~within the beverage industry~~ .Overall,the effectiveness of these acquisitions can be less predictable than developing new lines of ~~beverages~~ **energy drinks** and might not provide the anticipated benefits or desired rates of return.Integrating the operations of acquired businesses could be a difficult,costly and time-consuming process that involves a number of risks including,but not limited to,the integration of company cultures and management teams,retaining key employees and customers,increased exposure to certain governmental regulations and compliance requirements,increased costs,and use of resources. ~~Our business may also be adversely impacted if we are unable to successfully transition the acquired Bang Energy ® beverages to the Company' s primary bottlers / distributors or if we are unable to consolidate operations and / or rationalize brands acquired from Bang Energy ® and Monster Brewing Company.~~ To the extent we integrate acquired businesses,it is possible that we will not realize the expected benefits from any completed acquisition over the timeframe we expect,or at all,or that our existing operations will be adversely affected as a result of acquisitions. ~~For example,~~ **The costs of achieving these benefits could also be higher than** we **expected.Therefore,the acquisition and integration of acquired businesses** may **not contribute to our earnings as expected,we may not achieve profit margin targets when expected,or at all,and we may not achieve the other anticipated strategic financial benefits of such transactions** into new sectors in the beverage industry **, also pose unique risks** . Risks associated with entering into a new sector **, such as the alcohol beverage sector,** include **, but are not limited to** : (1) having no or limited experience in such sector; (2) ~~increased~~ exposure to certain governmental regulations and compliance requirements; (3) difficulties developing, manufacturing, and marketing the products of newly acquired companies; and (4) our lesser familiarity with consumer preferences in the new sector. Entry into new sectors of the beverage industry may bring us into competition with new competitors that have potentially a larger, more established market presence. We cannot ensure that our entry into the alcohol beverage sector or any other new beverage sectors will be profitable **,** and future profitability may be delayed or otherwise materially adversely affected . Overall, the effectiveness of these...... anticipated strategic financial benefits of such transactions . The beverage industry is subject to changing consumer preferences and shifts in consumer preferences may adversely affect us. There is increasing awareness of and concern for health, wellness and nutrition considerations, including concerns regarding caloric intake associated with sugar- sweetened beverages, the perceived undesirability of artificial ingredients, and the potential adverse consequences from excess consumption of alcohol beverages. Some consumer advocacy groups and others have expressed concerns regarding certain ingredients in diet ~~sodas~~ **beverages** , which are contained in certain of our energy drinks, or have called for the curtailment of alcohol dissemination and consumption. There are also changes in demand for different packages, sizes and configurations. Such developments could reduce our revenues and adversely affect our results of operations. Consumers are seeking greater variety in their beverages. For example, with regard to our Alcohol Brands, the broader alcohol industry is experiencing a shift in drinking preferences and behaviors, moving away from traditionally popular beer brands and segments and towards ~~above~~ **, for example,** premium beers **, imports** , hard seltzers, FMBs, ready- to- drink malt- based, sugar- based, and spirits- based beverages, CBD and other cannabis beverages, and other similar beverages. Our future success will depend, in part, upon our continued ability to develop and introduce different and innovative beverages that appeal to consumers. In order to retain and expand our market share, we must continue to develop and introduce different and innovative beverages and be competitive in the areas of efficacy, taste, quality and price **/ value** , although there can be no assurance of our ability to do so. There is no assurance that consumers will continue to purchase our products in the future. Product lifecycles for some beverage brands, products and / or packages may be limited to a few years before consumers' preferences change. The beverages we currently market are in varying stages of their product lifecycles, and there can be no assurance that such beverages will become or remain profitable for us. We may be unable to achieve volume growth through product and packaging initiatives. We may also be unable to penetrate new markets. Additionally, as shopping patterns are being affected by the digital evolution, with customers embracing shopping by way of mobile device applications, e- commerce retailers and e- commerce websites or platforms, we may be unable to address or anticipate changes in consumer shopping preferences or engage with our customers on their preferred platforms. If our revenues decline, our business, financial condition and results of operations could be adversely affected. We have continued expanding our energy drink operations internationally into a variety of new markets. Our net sales to customers outside of the United States were approximately **38 %,** 37 % ~~,~~ **and** 37 ~~% and 33~~ % of consolidated net sales for the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. As our growth strategy includes further expanding our international business, if we are unable to continue to expand distribution of our products **or maintain consumer demand** outside the United States, our growth rate could be adversely affected. In many international markets, we have limited operating experience and in some international markets we have no operating experience. It is costly to establish, develop and maintain international operations and develop and promote our brands in international markets. Our percentage gross profit margins in many international markets are expected to be less than the comparable percentage gross profit margins obtained in the United States. We face and will continue to face substantial risks associated with having foreign operations, including **, but not limited to** : economic and / or political instability in our international markets; fluctuations in foreign currency exchange rates; restrictions on or costs relating to the repatriation of foreign profits to the United States, including possible taxes and / or withholding obligations on any repatriations; and tariffs and / or trade restrictions. These risks could have a significant impact on our ability to sell our products on a competitive basis in international markets and could have a material adverse effect on our business, financial condition and results of operations. Also, our operations outside of the United States are subject to risks relating to appropriate compliance with legal and regulatory requirements in local jurisdictions, potential difficulties in staffing and managing local operations, higher **rates of** product damages, particularly when products are shipped long distances, potentially higher incidence of fraud and / or corruption, credit risk of local customers and distributors and potentially adverse tax consequences ~~. If we are not able to pass on increases in the costs of raw materials, including aluminum cans, ingredients, fuel and / or costs of co- packing, or if we experience shortages of such raw materials, our business and results of operations could be materially, adversely affected and result in a higher cost base~~ . The principal raw materials used by us are aluminum cans, sleek aluminum cans, aluminum cap cans, aluminum cans with re- sealable ends, aluminum or steel kegs, cartons, **to a limited extent** PET plastic bottles ~~,~~ **and** caps, flavors, juice concentrates, glucose, sugar, sucralose, milk, cream, coffee, tea, cocoa, malted barley, hops, water, yeast, ethanol, supplement ingredients and other packaging materials, the costs and availability of which are subject to fluctuations. For certain flavors purchased from third- party suppliers and used in a limited number of our Monster Energy ® brand energy drinks and / or our Strategic Brands energy drinks, these third- party flavor suppliers own the proprietary rights to certain of their flavor formulas. We do not have possession of the list of such flavor ingredients or formulas used in the production of certain of our products and certain of our blended concentrates, and we may be unable to obtain comparable flavors or concentrates from alternative suppliers on short notice. Our third- party flavor suppliers generally do not make such flavors and / or blended concentrates available to other third- party customers. We have identified alternative suppliers for certain of the ingredients contained in many of our beverages. However, ~~industry- wide shortages of certain flavor ingredients, flavors, fruits and fruit juices, coffee, tea, cocoa, dairy- based products, packaging materials (including aluminum cans) supplement ingredients and sweeteners have been, and could from time to time in the future be, encountered, which could interfere with and / or delay production of certain of our products. In addition,~~ certain of our co-packing arrangements allow such co- packers to increase their fees based on certain of their own cost increases. We are uncertain whether the prices of any of the above or any other raw materials or ingredients ~~, many of which have recently risen significantly,~~ will continue to rise or may rise in the future. We are unsure whether we will be able to pass ~~any of such~~ **on future price** increases ~~on~~ to our customers. ~~Although~~ **For example, recently, certain retailers have ceased the sale of certain beverage products due to continued price increases. From time to time,** we ~~generally do not use hedging agreements or alternative instruments to manage the risks associated with securing sufficient ingredients or raw materials, from time to time, we, through our aluminum can suppliers, enter into purchase agreements for the purchase of aluminum, as well as~~ enter into purchase agreements for portions of our annual anticipated requirements for certain of our ~~other~~ raw materials such as glucose, sugar and sucralose. In recent years, the United States has imposed tariffs on steel and aluminum as well as on goods imported from certain countries. Additional tariffs imposed by the United States **or other countries** on a broader range of imports, or further trade measures taken by other countries, could result in an increase in supply chain costs. We may not correctly estimate demand for our existing products and / or new products. Our ability to estimate demand for our products is imprecise, particularly with regard to new products, and may be less precise during periods of rapid growth, including in new markets. If we materially underestimate demand for our products, and / or are unable to secure sufficient ingredients, raw materials and / or packaging materials, or experience production shortages or quality issues, we might not be able to satisfy demand on a short-term basis. Moreover, industry- wide shortages of certain **flavor ingredients, flavors, fruits and fruit** ~~juice~~ **juices** ~~concentrates~~ **, coffee, tea, cocoa, dairy- based products, packaging materials (including aluminum cans)** , supplement ingredients and sweeteners have been **,** and could ~~,~~ from time to time in the future ~~,~~ be ~~experienced~~ **, encountered** , resulting in production fluctuations **or delays** and / or product shortages **and / or increased costs** . We generally do not use hedging agreements or alternative instruments to manage this risk. Such shortages could interfere with and / or delay production of certain of our products and could have a material adverse effect on our business and financial results. If we do not accurately anticipate the future demand for a particular product or the time it will take to obtain new inventory, our inventory levels may be inadequate and our results of operations may be negatively impacted. If we fail to meet our shipping schedules, we could damage our relationships with distributors and / or retailers, increase our distribution costs and / or cause sales opportunities to be delayed or lost. In order to be able to deliver our products on a timely basis, we need to maintain adequate inventory levels of the requisite products. If the inventory of our products held by our distributors and / or retailers is too high, they will not place orders for additional products, which could unfavorably impact our future sales and adversely affect our operating results. Our business is subject to seasonality, which may cause the sale of our products to fluctuate from period to period due to the inherent demands and timing of our customers and consumer needs as well as seasonal factors, such as poor weather conditions. Given such variation by season, our results for any particular quarter may not be indicative of the results to be achieved for the entire fiscal year. **The costs of packaging supplies, raw material inputs, ocean and domestic freight, and inflation generally may adversely affect our results of operations.** Many of our packaging supply contracts allow our suppliers to ~~alter~~ **adjust** the costs they charge us for packaging supplies based on changes in the costs of the underlying commodities that are used to produce those packaging supplies, such as aluminum for cans, PET plastic for bottles and pulp and paper for cartons and / or trays. These changes in the prices we pay for our packaging supplies occur at certain predetermined times that vary by product and supplier. In some cases, we are able to fix the prices of certain packaging supplies and / or commodities for a reasonable period. In other cases, we bear the risk of increases in the costs of these packaging supplies, including the underlying costs of the commodities that comprise these packaging supplies. We ~~do not~~ use derivative instruments to manage **a portion of** this risk **in relation to aluminum for cans** . ~~Recently, inflation~~ **Inflation** has affected ~~, and continues to affect~~ certain of our raw material and packaging costs, commodities and other inputs globally. If the costs of packaging supplies and other costs, such as shipping container costs and ocean and domestic freight rates, increase, we may be unable to pass these costs along to our customers through corresponding adjustments to the prices we charge, which could have a material adverse effect on our results of operations. Because of our increasingly global presence, our business could be affected by unstable political conditions, civil unrest, protests and demonstrations, large- scale terrorist acts, especially those directed against the United States or other major industrialized countries where our products are distributed, the outbreak or escalation of armed hostilities (such as the military ~~conflict~~ **conflicts** in Ukraine **, Israel and Gaza as well as tensions in the Middle East in general and tensions across the Taiwan Straits**), major natural disasters and extreme weather conditions, such as hurricanes, wildfires, tornados, earthquakes or floods, or widespread outbreaks of infectious diseases (such as the COVID- 19 pandemic). Such catastrophic events could impact our operations and our supply chain, including the production and / or distribution of our products. Materials and / or personnel may need to mobilize to other locations. Our headquarters and a large part of our operations are located in California, a state at greater risk for earthquakes and wildfires. Some of the raw materials we use, including certain sizes of cans, are available from limited suppliers, and a regional catastrophic event impacting such suppliers could adversely impact our operations. In addition, such events could disrupt global or regional economic activity, which could **adversely** affect consumer purchasing power and consumers' ability to purchase our products, thereby reducing demand for our products. If our operations are disrupted or we are unable to grow our business as a result of these factors, our growth rate could decline and our business, financial condition and results of operations could be adversely affected. The ~~current~~ COVID- 19 pandemic has presented **,** and may continue to present **,** a substantial public health and economic challenge in certain countries and has affected, and may continue to affect, our employees, communities and business operations, as well as the global economy and financial markets. The human and economic consequences, and consequences in general, of the COVID- 19 pandemic, including new variants, as well as the measures taken or that may be taken in the future by governments, businesses (including the Company and our suppliers, bottlers / distributors, co- packers and other service providers) and the public at large to limit the COVID- 19 pandemic, have and ~~will~~ **may in the future** directly and indirectly impact our business and results of operations ~~. In China, in particular, COVID- 19 policies, including certain lockdowns in 2022, adversely affected sales in the region and may continue to have an impact on our financial results in such country~~ . The negative impacts and consequences of the COVID- 19 pandemic may have a material adverse effect on our business, reputation, operating results and / or financial condition and could exacerbate many of the risk factors discussed herein, any of which could materially affect our business, reputation, operating results and / or financial condition. Regulators and stakeholders are increasingly focusing on sustainability matters, including, but not limited to, greenhouse gas emissions and other climate- related risks, sustainable packaging, water stewardship, diversity, equity, and inclusion, and corporate governance and oversight. While we are actively addressing these issues and have publicly committed to setting certain sustainability- related targets, these initiatives ~~are~~ **represent** our current plans and aspirations ~~,~~ **that** may be refined in the future, and are not guarantees that we will be able to achieve them, especially given the difficulties and expenses of implementation as well as the ever- changing regulatory and technological landscape. For example, disclosures about our sustainability- related initiatives and goals, and progress against those goals, may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. Furthermore, the rules, regulations, and standards set forth by various governmental and self- regulatory organizations, including the SEC, the European Commission, and the Financial Accounting Standards Board, continue to evolve in scope and complexity, which, in turn, makes compliance more uncertain and difficult. These changing rules and regulations, along with constantly evolving stockholder expectations, have resulted in, and may continue to result in, increased general and administrative expenses and increased management time and attention spent complying with or meeting such expectations and rules. Our failure or perceived failure to progress or achieve our sustainability goals, maintain sustainability practices, or comply with emerging sustainability regulations that meet developing regulatory or stakeholder expectations could harm our reputation, harm our ability to maintain or attract customers and talent, and expose us to increased scrutiny from enforcement authorities and stakeholders. Our reputation may also be harmed by the perceptions that our stakeholders have about our action or inaction on sustainability- related issues as well as the nature or scope of, or revisions to, our sustainability initiatives and goals. Damage to our reputation and loss of brand equity may reduce demand for our products and thus have an adverse effect on our future financial results, as well as require additional resources to rebuild our reputation and could **impact** ~~also reduce~~ our stock price ~~. Climate change and natural disasters may affect our business~~ . There is concern that a gradual increase in global average temperatures due to increased carbon dioxide and other greenhouse gases in the atmosphere could cause significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters. Changing weather patterns could result in decreased agricultural productivity in certain regions, and / or outbreaks of diseases or other health issues, which may limit **the** availability and / or increase the cost of certain key ingredients, juice concentrates, supplements and other ingredients used in our products and could impact the food security of communities around the world. Increased frequency or duration of extreme weather conditions could also impair production capabilities, disrupt our supply chain and / or impact demand for our products. Natural disasters and extreme weather conditions, such as hurricanes, wildfires, earthquakes or floods, and outbreaks of diseases (such as the COVID- 19 pandemic) or other health issues may affect our operations and the operation of our supply chain, impact the operations of our bottlers / distributors and unfavorably impact our consumers' ability to purchase our products. The predicted effects of climate change may also result in challenges regarding **the** availability and quality of water, or less favorable pricing for water, which could adversely impact our business and results of operations. In addition, public expectations for reductions...... our Board of Directors and management. Sales of our products may also be influenced to some extent by weather conditions in the markets in which we operate. We, our bottlers and our contract packers ~~,~~ use a number of key ingredients in the manufacture of our beverage products that are derived from agricultural commodities, such as sugar, ethanol, coffee, tea cocoa, barley and hops. Increased demand for food products and decreased agricultural productivity in certain regions of the world as a result of changing weather patterns and other factors may limit the availability or increase the cost of such agricultural commodities and could impact the food security of communities around the world. Weather conditions may influence consumer demand for certain of our beverages, which could have an effect on our operations, either positively or negatively ~~.~~ In addition,public expectations for reductions in greenhouse gas emissions could result in increased energy,transportation and raw material costs **,** and may require us to make additional investments in facilities and equipment.Changes in applicable laws,regulations,standards or practices related to greenhouse gas emissions,packaging and water scarcity,as well as initiatives by advocacy groups in favor of certain climate change- related laws,regulations,standards or practices, ~~have and~~ may ~~continue to~~ result in increased compliance costs,capital expenditures and other financial obligations,which could affect our business,financial condition and results of operations.For example, **last year,** the **SEC** ~~California legislature~~ and **,subsequently,the** European Commission ~~have each~~ **published proposed rules that,if** adopted ~~laws that~~ **,would** require companies to significantly increase their disclosures related to climate change and mitigation efforts,which ~~will~~ **may** require us to incur additional costs to comply and impose more oversight obligations on our Board of Directors and management. ~~The SEC has also proposed similar~~ . Our business is dependent, to a large extent, upon the services of our workforce. We do not maintain key person life insurance on any members of our senior management. The loss of services of either Rodney Sacks, Chairman and Co- Chief Executive Officer, Hilton Schlosberg, Vice Chairman and Co- Chief Executive Officer, or any other key members of our senior management could adversely affect our business until suitable replacements can be found. There may be a limited number of personnel with the requisite skills to serve in these positions, and we may be unable to locate or employ such qualified personnel on acceptable terms. Our success depends on our ability to build and maintain the brand image for our existing products, new products and brand extensions and maintain our corporate reputation. There can be no assurance that our advertising, marketing and promotional programs and our commitment to product safety and quality, human rights and environmental sustainability will have the desired impact on our products' brand ~~image~~ **images** and on consumer preferences and demand. Claims regarding product safety, quality and / or ingredient content issues, efficacy or lack thereof (real or imagined), our culture and our workforce, our environmental impact and the sustainability of our operations, or allegations of product contamination, even if false or unfounded, could tarnish the image of our brands and may cause consumers to choose other products. Consumer demand for our products could diminish significantly if we, our employees, bottlers / distributors, suppliers or business partners fail to preserve the quality of our products ~~,~~ **and / or** act or are perceived to act in an unethical, illegal, discriminatory, unequal or socially irresponsible manner, including with respect to the sourcing, content or sale of our products, service and treatment of our customers, or the use of customer data. Furthermore, our brand image or perceived product quality could be adversely affected by litigation, unfavorable reports in the media (internet or elsewhere), studies in general and regulatory or other governmental inquiries (in each case whether involving our products or those of our competitors) and proposed or new legislation affecting the beverage industry, whether related to alcohol or non-alcohol beverages. Negative postings or comments on social media or networking websites about the Company or any one of our brands, even if inaccurate or malicious, could generate adverse publicity that could damage the reputation of our brands or the Company. Business incidents, whether isolated or recurring and whether originating from us, our bottlers / distributors, suppliers or business partners, that erode consumer trust can significantly reduce brand value or potentially trigger boycotts of our products and can have a negative impact on consumer demand for our products as well as our reputation and financial results. The impact of such incidents may be exacerbated if they receive considerable publicity, including rapidly through social or digital media (including for malicious reasons) **,** or result in litigation. In addition, from time to time, there are public policy endeavors that are either directly related to our products and packaging or to our business. These public policy debates can occasionally be the subject of backlash from advocacy groups that have a differing point of view and could result in adverse media and consumer reaction, including product boycotts. Similarly, our sponsorship relationships could subject us to negative publicity as a result of actual or alleged misconduct by individuals or entities associated with organizations **that** we sponsor or support. Likewise, campaigns by activists connecting us, or our supply chain, with human and workplace rights ~~,~~ **and / or** environmental or animal rights issues could adversely impact our corporate image and reputation. We have made a number of commitments to respect human rights, including the policies and initiatives described in our California Transparency in Supply Chains Act & United Kingdom Modern Slavery Act statement. Allegations, even if untrue, that we are not respecting the human rights found in the United Nations Universal Declaration of Human Rights; actual or perceived failure by our suppliers or other business partners to comply with applicable labor and workplace rights laws, including child labor laws, or their actual or perceived abuse or misuse of migrant workers; adverse publicity surrounding obesity ~~,~~ **and** alcohol consumption, including alcoholism and drunk driving ~~,~~ **;** and other such ~~health~~ concerns related to our products, water usage, our environmental impact and the sustainability of our operations, labor relations, our culture and our workforce or the like could negatively affect our Company' s overall reputation and brand image, which in turn could have a negative impact on our products' acceptance by consumers. Changes in government regulation, or a failure to comply with existing regulations related to energy drinks, could adversely affect our business, financial condition and results of operations. Legislation has been proposed and / or adopted at the U. S. federal, state and / or municipal level and proposed and / or adopted in certain foreign jurisdictions to restrict the sale of energy drinks (including, prohibiting the sale of energy drinks at certain establishments or pursuant to certain governmental programs), limit the content **or levels** of caffeine and other ingredients in beverages, require certain product labeling disclosures and / or warnings, impose excise taxes, limit product size or impose age restrictions for the sale of energy drinks. For a discussion of certain of such legislation, see " Part I, Item 1 – Business – Government Regulation. " Furthermore, additional legislation may be introduced in the United States and other countries at the federal, state, **provincial,** local, municipal and **/ or** supranational level in respect of each of the foregoing subject areas. Public health officials and health advocates are increasingly focused on the public health consequences associated with obesity, especially as it affects children, and are seeking legislative change to reduce the consumption of sweetened beverages. There also has been increased focus on caffeine content in beverages, and we are seeing some attention to other ingredients in energy drinks. To the extent any such legislation is enacted in one or more jurisdictions where a significant amount of our products are sold, individually or in the aggregate, it could result in a reduction in demand for, or availability of, our energy drinks ~~,~~ and adversely affect our business, financial condition and results of operations. The production, distribution and sale **, as well as our manufacturing facilities themselves,** in the United States of many of our products are also currently subject to various federal and state regulations, including, but not limited to: the FD & C Act; the Occupational Safety and Health Act; various environmental statutes; data privacy laws; California Proposition 65; and various other federal, state and local statutes and regulations applicable to the production, transportation, sale, safety, advertising, labeling, packaging and ingredients of such products. Outside the United States, the production, distribution and sale of many of our products are also subject to numerous statutes and regulations. If a regulatory authority finds that a current or future product, its label, or a production run **or facility** is not in compliance with any of these regulations, we may be fined, or the products in question may have to be recalled, removed from the market, reformulated and / or have ~~the~~ **their** packaging changed, which could adversely affect our business, financial condition and results of operations. Governmental agencies heavily regulate the alcohol beverage industry. In particular, they monitor and regulate licensing, warehousing, trade and pricing practices, permitted and required labeling, including warning labels, signage, advertising, relations with wholesalers and retailers, and, in control states, product listings. Increased regulatory trade practice enforcement may increase in response to the Treasury Report. There may also be a focus on companies with established non- alcohol beverages lines of business that have expanded into the alcohol beverage industry, since marketing practices that are acceptable in the non- alcohol space may have regulatory challenges in the alcohol space. In addition, other countries in which we may sell alcohol beverages could impose duties, excise taxes and / or other related taxes. If, in the future, we are unable to comply with certain regulations, sales of our products could decrease significantly. Additionally, if such agencies or jurisdictions, foreign or domestic, choose to implement new or revised laws, regulations, fees, taxes, or other such requirements, our business could be adversely affected. If such governmental bodies require increased additional product labeling, warning requirements, or limitations on the marketing or sale of our alcohol products due to their contents or allegations concerning their potential to cause adverse health effects, our sales of alcohol beverages may be adversely affected. We, and our co- packers, are subject to a wide and increasingly broad array of federal, state, regional, local, and international environmental laws, including statutes and regulations, which aim to regulate emissions and impacts to air, land, and water. Our operations and those of our co- packers may result in odors, noise, or other pollutants being emitted. Failure to comply with any environmental laws or any future changes to them could result in alleged harm to employees or others near our facilities or those of our co- packers. Significant costs to satisfy environmental compliance, remediation or compensatory requirements, or the imposition of penalties or restrictions on operations by governmental agencies or courts **,** may adversely affect our business, financial condition, and results of operations. Increasing concern over sustainability matters, including climate change, will likely result in new or revised laws and regulations aimed at reducing or mitigating the potential effects of greenhouse gases, restricting or increasing the costs of commercial water use due to local water scarcity concerns, or increasing mandatory reporting of certain sustainability metrics, such as recycling. If we fail to comply with applicable environmental compliance mandates or fail to meet sustainability metrics, our business operations and our reputation could be adversely impacted. We are subject to the risks of investigations and / or enforcement actions by state attorneys general and / or other government and / or quasi- governmental agencies relating to the **production,** advertising, marketing, promotion **, labeling** , ingredients, usage and / or sale of our products, and we are a party, from time to time, to various government and regulatory inquiries and / or proceedings. Defending these proceedings can result in significant ongoing expenditures and the diversion of our management' s time and attention from the operation of our business, which could have a negative effect on our business operations. In addition, from time to time, government and / or quasi- governmental agencies may investigate the safety of caffeine and other ingredients in energy drinks as well as the safety and potential adverse effects of alcohol beverages. If an inquiry by a state attorney general or other government or quasi- ~~government~~ **governmental** agency finds that our products and / or the **production,** advertising, marketing, promotion **, labeling** , ingredients, usage and / or sale of such products are not in compliance with applicable laws or regulations, we may become subject to fines, product reformulations, container changes, changes in the usage or sale of our products and / or changes in our advertising, marketing and promotion practices, each of which could have an adverse effect on our business, financial condition or results of operations. We have been and are a party, from time to time, to various litigation claims and legal proceedings, including, but not limited to, intellectual property, fraud, unfair business practices, false advertising, product liability, breach of contract claims, claims from prior distributors, labor and employment matters, personal injury matters, consumer class actions, securities actions and shareholder derivative actions. Other lawsuits have been filed against us claiming that certain statements made in our advertisements and / or on the labels of our products were false and / or misleading or otherwise not in compliance with food standards under local law, and / or that our products are not safe. Putative class action lawsuits have also been filed against certain of our competitors asserting that certain claims in their advertisements amount to false advertising. We do not believe any statements made by us in our promotional materials or set forth on our product labels are false or misleading or noncompliant with local law, or that our products are in any way unsafe, and we vigorously defend such lawsuits. Our acquisition of ~~CANarchy~~ **Monster Brewing Company** also exposes us to class action or other private or governmental litigation and claims relating to alcohol marketing, advertising, or distribution practices, alcohol abuse problems or other health consequences arising from excessive consumption of or other misuse of alcohol, including death. For example, in a number of states, plaintiffs have alleged that alcohol beverage manufacturers and marketers have improperly targeted underage consumers in their advertising in violation of the consumer protection or deceptive trade practices statutes of certain states. Any of the foregoing matters or other litigation, the threat thereof, or unfavorable media attention arising from pending or threatened product- related litigation could consume significant financial and managerial resources and result in decreased demand for our products, significant monetary awards against us, an injunction barring the sale of any of our products and injury to our reputation. Our failure to successfully defend or settle any litigation or legal proceedings could result in liabilities that, to the extent not covered by our insurance, could have a material adverse effect on our financial condition, revenue and profitability ~~,~~ and could cause the market value of our common stock to decline. We **have been, and** may **in the future** be **,** required from time to time to recall products entirely or from specific co- packers, markets, retailers or batches or reformulate certain of our products if such products become contaminated, damaged, mislabeled, defective or otherwise materially non- compliant with applicable regulatory requirements **. For example, in recent years, we have experienced limited recalls of certain products in Canada, Europe, and the United States** . A material product recall could adversely affect our profitability and our brand image and corporate reputation. We do not maintain recall insurance. We own numerous trademarks that are very important to our business. We also own the copyright in, and to, a portion of the content on the packaging of our products. We regard our trademarks, copyrights and similar intellectual property as critical to our success and attempt to protect such intellectual property through registration and enforcement actions. However, there can be no assurance that other parties will not infringe or misappropriate our trademarks, copyrights and similar proprietary rights. We also have been, and may in the future be, unable to use our trademarks, trade names or designs and / or trade dress in certain countries, which may impact sales of the affected brands and require increased expenditures, which could have an adverse effect on our business, financial condition or results of operations. Information technology **, including the Internet and third- party hosted services,** enables us to operate efficiently **, manage our procurement, supply chain and employee processes** , interface with customers, maintain financial accuracy and efficiency and accurately produce our financial statements. If we do not appropriately allocate and effectively manage the resources necessary to build and sustain the proper technology infrastructure, we could be subject to transaction errors, processing inefficiencies, the loss of customers, business disruptions, and / or the loss of and / or damage to intellectual property through security breaches, including internal and external cybersecurity threats. Cybersecurity attacks ~~are evolving,~~ may be difficult to detect for periods of time, and include, but are not limited to, malicious software (malware, ransomware and viruses), phishing and social engineering, attempts to gain unauthorized access to networks, computer systems and data, malicious or negligent actions of employees (including misuse of information they are entitled to access), cyber extortion, electronic or wire fraud, and other forms of electronic security breaches. **These incidents may be caused by failures during routine operations, such as system upgrades, or by user errors, as well as network or hardware failures, malicious or disruptive software, unintentional or malicious actions of employees or contractors, cyberattacks by hackers, criminal groups or nation- state organizations (which may include social engineering, business email compromise, cyber extortion, denial of service, or attempts to exploit vulnerabilities, such as phishing), geopolitical events, natural disasters, failures or impairments of telecommunications networks, or other catastrophic events.** Such attacks could lead to disruptions in or loss of access to our data or business systems ~~,~~ **;** an inability to process customer orders and / or lost customer orders ~~,~~ **;** unauthorized release of confidential **, proprietary** or otherwise protected information **belonging to us or our employees** , **customers, consumers, partners, or suppliers;** lost revenues or other costs due to office, plant, **production,** warehouse or other facility disruption or shutdown **; additional expenses** , **including the cost of remediating incidents or improving security measures, increased insurance costs, and / or ransomware payments;** and corruption of data **. Any such consequences could materially and adversely affect our financial condition, results of operations and cash flows. We also may suffer reputational damage because of lost or misappropriated confidential or proprietary information belonging to us, or employees, customers, suppliers or other third party service providers and may become exposed to legal action and increased regulatory oversight, including governmental inquiries, investigations, enforcement actions and regulatory fines. Although we maintain insurance coverage that may, subject to the policy' s terms and conditions, cover certain aspects of a breach or disruption, such insurance coverage may be insufficient to cover all losses. In addition, the scope and severity of cyber threats, in particular the use of ransomware attacks, are increasing. Due to such constant evolving nature and methods of security threats, we cannot predict the form and nature of any future incident, and the cost and operational expense of implementing, maintaining and enhancing protective measures to guard against increasingly complex and sophisticated cyber threats could increase significantly. Moreover, if our data management systems, including our SAP enterprise resource planning system, do not effectively collect, store, process and report relevant data for the operation of our business (whether due to equipment malfunction or constraints, software deficiencies, cybersecurity attack and / or human error), our ability to effectively plan, forecast and execute our business plan and comply with applicable laws and regulations will be impaired, perhaps materially. Any such impairment could materially and adversely affect our financial condition, results of operations, cash flows and the timeliness with which we report our internal and external operating results** . We rely on relationships with third parties, including suppliers, distributors, bottlers, contract packers, contractors, cloud data storage and other information technology service providers and other external business partners, for certain functions or for services in support of our operations. These third- party service providers and partners, with whom we may share data, are subject to similar risks as we are relating to cybersecurity, privacy violations, business interruption, and systems, as well as employee failures. While we have procedures in place for selecting and managing our relationships with third- party service providers and other business partners, we do not have control over their business operations or governance and compliance systems, practices and procedures, ~~which~~ **and our management of multiple third party service providers** increases our ~~financial~~ **operational complexity. If we fail to adequately monitor our third party service providers' and partners' performance** , **including for compliance with regulatory and** legal **requirements** , **we may have to incur additional costs to correct errors, our** ~~reputational~~ -- **reputation** ~~and operational risk~~ **could be harmed or we could be subject to litigation, claims, legal or regulatory proceedings, inquiries or investigations** . These **risks may also be present if our** third **party service providers and partners use separate information systems that are not integrated with our systems and suffer a cybersecurity incident. These risks are also present in acquired businesses, joint ventures or companies that we invest in or partner with that use separate information systems or have not yet been fully integrated into our information systems. Third** parties may experience cybersecurity incidents that may involve data we share with them or rely on them to provide to us, and the need to coordinate with such third- parties, including with respect to timely notification and access to personnel and information concerning an incident, may complicate our efforts to resolve any issues that arise. **As a result** ~~However, given the unpredictability of the timing, nature and scope of such disruptions~~ , we **are** ~~could potentially be~~ subject to ~~operational interruption, damage to our brand image and private data exposure. Moreover, if our data management systems, including our SAP enterprise resource planning system, do not effectively collect, store, process and report relevant data for~~ the **risk that the activities associated** ~~operation of our business (whether due to equipment malfunction or constraints, software deficiencies, cybersecurity attack and / or human error), our ability to effectively plan, forecast and execute our business plan and comply~~ with ~~applicable laws~~ **our third party service providers** and ~~regulations~~ **partners** will ~~be impaired, perhaps materially. Any such impairment could materially and~~ adversely affect our **business** ~~financial condition~~ , **even if** ~~results of operations, cash flows and~~ the **cyber incident does not directly** ~~timeliness with which we report our internal and external operating results. If we fail to comply with data privacy and personal data protection laws, we could be subject to adverse publicity, government enforcement actions and / or private litigation, which may negatively~~ impact our **systems or information** ~~business and operating results~~ . We receive, process, transmit and store information relating to certain identified or identifiable individuals (" personal data "), including current and former employees, in the ordinary course of business. As a result, we are subject to various U. S. federal and state and foreign laws and regulations relating to personal data. These laws are subject to change, and new personal data legislation may be enacted in other jurisdictions at any time. In the European Union, the General Data Protection Regulation (" GDPR ") ~~became effective in May 2018 for all member states. The GDPR~~ includes operational requirements for companies receiving or processing personal data of residents of the European Union different from those that were previously in place and also includes significant penalties for noncompliance. Additionally, **privacy laws and regulations**

adopted or being considered by various states, including the California Consumer Privacy Act of 2018 (" CCPA ") ~~, which was enacted in June 2018~~ and **the California Privacy Rights Act** ~~came into effect on January 1, 2020~~ , provides ~~a~~ new private ~~right~~ **rights** of action and statutory damages for certain data breaches and ~~imposes~~ - **impose** operational requirements on companies that process personal data of ~~California~~ **state** residents, including making ~~new~~ disclosures to consumers about data collection, processing and sharing practices and allowing consumers to opt out of certain data sharing with third parties. Changes introduced by the GDPR and ~~the CCPA~~ **state privacy laws** , as well as other changes to existing personal data protection laws and the introduction of such laws in other jurisdictions, subject the Company to, among other things, additional costs and expenses and may require costly changes to our business practices and security systems, policies, procedures and practices. There can be no assurances that our security controls over personal data, training of personnel on data privacy and data security, vendor management processes, and the policies, procedures and practices we implement will prevent the improper processing or breaches of personal data. Data breaches or improper processing, or breaches of personal data in violation of the GDPR ~~, the CCPA and /~~ or of other personal data protection or privacy laws and regulations, could harm our reputation, cause loss of consumer confidence, subject us to government enforcement actions (including fines), or result in private litigation against us, which may result in potential loss of revenue, increased costs, liability for monetary damages or fines and / or criminal prosecution, thereby negatively impacting our business and operating results. We are subject to income and other taxes in both the U. S. and certain foreign jurisdictions. Therefore, we are subject to audits for multiple tax years in various jurisdictions at once. We are in various stages of examination with certain states and certain foreign jurisdictions. Our ~~2019~~ **2020** through ~~2021~~ **2022** U. S. federal income tax returns are subject to examination by the IRS. Our state income tax returns are subject to examination for the ~~2018~~ **2019** through ~~2021~~ **2022 tax years. The United Kingdom and Ireland income tax returns are subject to examination for the 2019 through 2022** tax years. At any given time, events may occur which change our expectation about how any such tax audits will be resolved **,** and thus, there could be significant variability in our quarterly and / or annual tax rates, because these events may change our plans for uncertain tax positions. Changes in U. S. tax laws as a result of any legislation proposed by ~~the~~ **a** new U. S. Presidential Administration or U. S. Congress, which may include efforts to change or repeal the 2017 Tax Cuts and Jobs Act and the federal corporate income tax rate reduction, could adversely affect our provision for income taxes, resulting in an adverse impact on our financial condition or results of operations. In addition, changes in the manner in which U. S. multinational corporations are taxed on foreign earnings, including changes in how existing tax laws are interpreted or enforced, could adversely affect our financial condition or results of operations. For example, the Organization for Economic Cooperation and Development (" OECD ") has recommended changes to numerous long-standing international tax principles through its base erosion and profit shifting (" BEPS ") project. These changes, to the extent adopted, may increase tax uncertainty, result in higher compliance costs and adversely affect our provision for income taxes, results of operations and / or cash flow. In connection with the OECD' s BEPS project, companies are required to disclose more information to tax authorities on operations around the world, which may lead to greater audit scrutiny of profits earned in various countries. Economic and political pressures to increase tax revenues in jurisdictions in which we operate, or the adoption of new or reformed tax legislation or regulation, may make resolving tax disputes more difficult **,** and the final resolution of tax audits and any related litigation could differ from our historical provisions and accruals, resulting in an adverse impact on our financial condition or results of operations. Under United States Generally Accepted Accounting Principles (" GAAP "), we are required to **test our indefinite lived intangible assets and goodwill for impairment at least annually and to** review our intangible assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Factors that may be considered a change in circumstances indicating that the carrying value of our intangible assets may not be recoverable include ~~,~~ declining or slower than anticipated growth rates for certain of our existing products, a decline in stock price and market capitalization, and slower growth rates in our industry. We may be required ~~in the future~~ to record a ~~significant~~ charge to earnings during the period in which we determine that our intangible assets have been impaired. Any such charge would adversely impact our results of operations. As of December 31, ~~2022~~ **2023** , our goodwill totaled approximately $ 1. 42 billion and other intangible assets totaled approximately $ 1. ~~22~~ **43** billion **. For the year ended December 31, 2023, we recorded $ 38. 7 million of impairment charges related to certain non- amortizing intangibles** . We are exposed to foreign currency exchange rate risk with respect to our sales, expenses, profits, assets and liabilities denominated in currencies other than the U. S. dollar. We enter into forward currency exchange contracts with financial institutions to create an economic hedge to specifically manage a portion of the foreign exchange risk exposure associated with certain consolidated subsidiaries' non-functional currency denominated assets and liabilities. We have not used instruments to hedge against all foreign currency risks and are therefore not protected against all foreign currency fluctuations. As a result, our reported earnings may be affected by changes in foreign currency exchange rates. Moreover, any favorable impacts to profit margins or financial results from fluctuations in foreign currency exchange rates are likely to be unsustainable over time. The current relative strength of the U. S. dollar has impacted our results of operations. For the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , aggregate foreign currency transaction gains (losses), including the gains or losses on forward currency exchange contracts, amounted to ($ **60. 2) million, ($** 37. 9) million ~~,~~ **and** $ 0. 3 ~~million and ($ 11. 2)~~ million, respectively. Potential changes in accounting standards or practices and / or taxation may adversely affect our financial results. We cannot predict the impact that future changes in accounting standards or practices may have on our financial results. New accounting standards could be issued that change the way we record revenues, expenses, assets and liabilities. These changes in accounting standards could adversely affect our reported earnings. Increases in direct and indirect income tax rates could affect after- tax income. Equally, increases in indirect taxes (including environmental taxes pertaining to the disposal of beverage containers and / or indirect taxes on beverages generally or energy drinks in particular) could affect our products' affordability and reduce our sales. If we fail to maintain effective disclosure controls and procedures and internal control over financial reporting on a consolidated basis, our stock price and investor confidence in the Company could be materially and adversely affected. We are required to maintain both disclosure controls and procedures as well as internal control over financial reporting that are effective for the purposes described in " Part II, Item 9A – Controls and Procedures. " If we fail to maintain such controls and procedures, our business, results of operations, financial condition and / or the value of our stock could be materially harmed. Global economic uncertainties, including highly inflationary economies and foreign currency exchange rates and rising interest rates, affect businesses such as ours in a number of ways, making it difficult to accurately forecast and plan our future business activities. There can be no assurance that economic improvements will occur, or that they would be sustainable, or that they would enhance conditions in markets relevant to us. In addition, we cannot predict the duration and severity of disruptions in any of our markets or the impact they may have on our customers or business, as our expansion outside of the United States has increased our exposure to any developments or crises in African, Asian, **Central and South American,** European **, Middle Eastern** and other international markets. Unfavorable economic conditions and financial uncertainties in our major international markets, including economic slowdowns and recessions, and unstable political conditions, including civil unrest and governmental changes, in certain of our other international markets could undermine global consumer confidence and reduce consumers' purchasing power, thereby reducing demand for our products. **The** ~~Included in the~~ foregoing ~~are long- term~~ **also includes the military conflicts in Ukraine, Israel and Gaza as well as tensions in the Middle East in general and tensions across the Taiwan Straits and any increased economic** ~~uncertainties~~ **uncertainty** ~~surrounding~~ **and volatility in commodity prices that it poses. As part of any hedging activities that we may conduct, we may enter into transactions involving derivative financial instruments, including forward contracts, commodity futures contracts, option contracts, collars and swaps, with various financial institutions. We also have significant amounts of cash, cash equivalents and other investments on deposit or in accounts with banks or other financial institutions both in** the United ~~Kingdom~~ **States and abroad, exposing us to risk of default by or failure of such counterparty financial institutions. This risk of counterparty default or failure is greater during periods of economic downturn or uncertainty in financial markets. If one of our counterparties became insolvent or filed for bankruptcy, our ability to recover losses incurred due to the default or to retrieve assets deposited or held in accounts with such counterparty may be limited by the counterparty** ' s ~~withdrawal from~~ **liquidity or applicable laws governing insolvency and bankruptcy proceedings. Default by or failure of one or more of our counterparties could cause us to incur significant losses and negatively impact our results of operations and financial condition. Volatility of stock price may restrict sale opportunities. Our stock price is affected by a number of factors, including stockholder expectations, financial results, the introduction of new products by us and our competitors, general economic and market conditions such as inflation, estimates and projections by the investment community and public comments by** ~~the~~ **other** ~~European Union~~ **parties, as well as many other factors, including litigation, many of which are beyond our control. We do not provide guidance** on ~~January~~ **our future performance, including, but not limited to, our revenues, margins, product mix, operating expenses, net income, or earnings per share. We may be unable to achieve analysts' net revenue and / or earnings forecasts, which are based on their own projected revenues, sales volumes and sales mixes of many product types and / or new products, certain of which are more profitable than others, as well as their own estimates of gross margin and operating expenses. There can be no assurance that we will achieve any such projected levels or mix of product sales, revenues, gross margins, operating profits, net income and / or earnings per share. As a result, our stock price is subject to significant volatility, and stockholders may not be able to sell our stock at attractive prices. In addition, periods of volatility in the market price of our stock could result in the initiation of securities class action litigation against us. During the fiscal year ended December** 31, ~~2020~~ **2023** ~~(commonly referred to~~ **, the high of our stock price** ~~as~~ **was** ~~38~~ **$ 60. 47 and the low was $ 47. 13. 40**